

Please refer to the KHESLC Revenue Bond Resolution disclaimer at <http://www.studentloanpeople.com/inv>

Kentucky Higher Education Student Loan Corporation
Statement of Revenues, Expenses, and Changes in Net Assets
Twelve Months Ended June 30, 2010

	Auction Rate Education Finance Funds	
	1997 General Bond Resolution	2004 General Bond Resolution
Operating Revenues:		
Interest Revenues:		
Interest on Loans	\$18,535,958	\$19,608,914
Investment Income (Loss)	111,691	78,874
Interest Expense on Debt	(9,369,878)	(10,448,184)
Total Net Interest Revenues	9,277,771	9,239,604
Financing Expenses:		
Amortization of Front End Borrower Benefits	1,768,683	4,705,865
Principal and Interest Benefits	225,775	369,538
Change in Allowance for Arbitrage	295,812	(179,350)
Provision for Loan Losses	53,524	723,996
Variable Bond Credit Facility and Remarketing Fees	31,047	39,080
Amortization of Lender Origination Costs	883,341	1,189,985
Amortization and Write-off of Bond Issuance Costs	153,015	145,884
Interest Revenues Net of Financing Expenses	5,866,574	2,244,606
Other Operating Revenues:		
Deconversion Fees	0	18,150
Gain / Loss on Sales of Loans	33	136
Gain on Early Retirement of Debt	7,037,486	4,939,616
Late Payment Penalties	752,524	485,066
Total Operating Revenues	13,656,617	7,687,574
Operating Expenses:		
Servicing Fees for Operating Fund	4,479,327	5,727,578
Other Expenses	348,501	245,450
Total Operating Expenses	4,827,828	5,973,028
Operating Income (Loss) before Transfers	8,828,789	1,714,546
Transfer (to) from Other Funds		
Interfund Transfers	(12,389,328)	17,996,529
Transfer to / from the Governmental Fund	0	0
Increase (Decrease) in Net Assets after Transfers	(3,560,539)	19,711,075
Net Assets, Beginning of Year	43,805,847	490,508
Net Assets, June 30, 2010	\$40,245,308	\$20,201,583